

REMARKS

Claims 3-30, following entry of this Amendment, are all the claims pending in this application. By amendment above, claims 3-11, 14 and 15 have been amended, and claims 16-30 have been added. No new matter has been added.

Reconsideration of the subject patent application and allowance of all of the claims is respectfully requested in view of the foregoing amendments and the following remarks.

As a preliminary matter, the specification has been amended to correct a typographical error.

In Figure 4, element "116" has been replaced with "400" to correct a typographical error.

The Examiner has not considered reference WO 93/01248 cited in the Information Disclosure Statement (IDS) filed April 8, 2002, and states that the reference is irrelevant. Pursuant to 37 C.F.R. § 1.97(b)(2), an information disclosure statement shall be considered by the Office if filed before the mailing of a first Office action on the merits. Since the IDS was filed on April 8, 2002 and the Office Action was mailed on August 27, 2003, the Examiner must consider all the references cited in the IDS. Moreover, the Examiner has cited no authority for the proposition that an Examiner has the discretion to refuse to consider properly submitted information, and Applicant's representative is aware of no such authority. Accordingly, Applicant respectfully requests that reference WO 93/01248 be considered and the Form PTO 1449 be initialed by the Examiner with a copy returned to the applicant.

The Title of the Invention has been objected to. Applicant has amended the title and respectfully requests the withdrawal of the objection.

Claims 3-9 have been rejected under 35 U.S.C. § 101 as being directed to a non-statutory subject matter. In particular, the Patent Office avers that the steps recited in independent claim 3 pertain to a manual process, and therefore, "do not fall within the technological art." Further, the Patent Office contends that the steps should be implemented via a device such as a computer system, database, computer network, etc.

Independent claim 3, as amended, now recites "*receiving at a client-user device award transaction information describing awards earned by the consumers for participation in the*

promotion programs of the network promotion system; maintaining the award transaction information in a *transaction history database of a promotion server device*, the promotion server device being communicable with the client-user device over a network; receiving a request from a selected consumer *using a client-user device* to redeem at least a portion of the awards earned by the selected consumer; and determining an authentication level required from the selected consumer to redeem the at least a portion of the awards, the authentication level being determined from the award transaction information stored in the *transaction history database of the promotion server device* (emphasis added)." Claim 3 is most certainly not subject matter which constitutes "laws of nature, natural phenomena, and abstract ideas" or "mathematical subject matter which, standing alone, represents nothing more than abstract ideas until reduced to some type of practical application" as outlined by the Federal Circuit in the *In re Alappat* decision. Accordingly, applicant therefore submits that claims 3-9 are directed to statutory subject matter under 35 U.S.C. § 101.

Claims 8, 9-12, 14 and have been objected to for minor informalities. It is asserted in the Office Action that the limitations recited in claims 8, 9, 14 and 15 are confusing and ambiguous because the manner in which the system determines the level of authentication operates like a "guessing game (not the best mode)." There is no requirement that the claims set forth the best mode. If the claims, interpreted in light of the disclosure, reasonably apprise those of ordinary skill in the art what the claimed invention is, they satisfy the requirements of 35 U.S.C. § 112, second paragraph. Here, one of ordinary skill will understand that if the transaction history database indicates that a selected consumer has not provided a high level of authentication, then the authentication level required from the selected consumer will be determined to be a high level of authentication, and if the transaction history database indicates that a selected consumer has provided a high level of authentication, then the authentication level required from the selected consumer will be determined to be a low level of authentication. These claims are consistent with aspects of the invention described, for example, at page 11, line 20-page 12, line 10. In view of the foregoing, applicant respectfully requests that the objection to claims 8, 9, 14 and 15 be withdrawn.

Regarding the objection to claims 10-12, claim 10 has been amended to recite "perform the steps of." Accordingly, applicant respectfully requests withdrawal of the objection to claims 10-12.

Claims 10 and 11 have been rejected under 35 U.S.C. § 112, second paragraph, as being indefinite. Claims 10 and 11 have been amended to replace the term "memory" with "transaction history database." Accordingly, applicant respectfully requests the withdrawal of the § 112, second paragraph, rejection.

Claims 1-15 have been rejected under 35 U.S.C. § 102(b) as being anticipated by Biorge et al. (U.S. Patent No. 5,806,045) ("Biorge"). This rejection, as it may apply to the claims, as amended, is respectfully traversed.

Applicable case law holds that in order to anticipate a claim, a single prior art reference must disclose each and every feature of the claim. In the present case, Biorge does not teach or suggest each and every limitation of the claims.

Biorge concerns a method and system for allocating and redeeming incentive credits between a portable device and a base device. Mostly, all consumer/provider transactions are carried out off-line, and no communications link is established with a common authority during most transactions. A common authority, therefore, cannot be relied upon to store or to provide information relating to the incentive program. Accordingly, the information must be stored in a device that can be accessed during off-line transactions. In the system of Biorge, a portable or handheld customer device stores and maintains incentive program information relating to a specific customer, and a provider device stores and maintains incentive program information relating to a specific provider. The two devices provide most of the information needed to carry out a transaction. Column 3, line 54-column 6, line 8.

In the present invention, promotional content information is stored in a local database of an application service provider. The application service provider device distributes the promotional content information to a merchant device so that consumers can participate in the promotion programs at a client-user device. In addition, award transaction information relating to the promotion programs is stored in a transaction history database of a promotion server

device. Information relating to the consumer or merchant is not stored in the client-user device or merchant device.

Among other things, Biorge fails to disclose "maintaining the award transaction information in a transaction history database of a promotion server device, the promotion server device being communicable with the client-user device over a network," as recited in independent claim 3. New independent claim 16 has a similar limitation. As admitted by the Patent Office, in the system of Biorge, all incentive program information relating to a specific customer (*e.g.*, account information, information relating to past transaction carried out using the device, etc.) is stored and maintained at a portable or handheld customer device. This is because most transactions are carried out off-line. Column 4, lines 2-6 and column 8, lines 16-28. The information is not stored or maintained in a transaction history database of a promotion server device as recited in claim 3.

Correspondingly, Biorge does not teach or suggest "determining an authentication level required from the selected consumer to redeem the at least a portion of the awards, the authentication level being determined from the award transaction information stored in the transaction history database of the promotion server device," as recited in claim 3. New independent claim 16 has a similar limitation. Biorge has absolutely no disclosure relating to authentication levels required for permitting customers to redeem award points. Since Biorge does not store or maintain award transaction information in a promotion server device, but rather in a portable or handheld customer device, Biorge cannot teach the authentication level being determined from the award transaction information *stored in the transaction history database of the promotion server device*.

Biorge does not teach or suggest a "transaction history database for storing award transaction information that describes the awards earned by the consumers for participation in the promotion programs of the network promotion system," as recited in independent claim 10. New independent claim 16 has a similar limitation. As discussed above, all incentive program information relating to a specific customer is stored and maintained at a portable or handheld

customer device. Thus, a transaction history database for storing award transaction information describing awards earned by a consumer will be futile in the system of Biorge.

Biorge also fails to disclose "a processor coupled to the transaction history database," as recited in claim 10. New independent claim 16 has a similar limitation. Since Biorge does not teach or suggest a transaction history database and since such a database would be futile in the system of Biorge, Biorge does not disclose a processor coupled to the transaction history database.

Since Biorge does not teach each and every limitation of independent claims 3 and 10, Biorge cannot anticipate these claims. Thus, the 35 U.S.C. § 102(b) rejection of claims 3 and 10 should be withdrawn.


Claims 5-9 and 11-15 depend directly or indirectly from independent claims 3 and 10 and are submitted to be distinguishable over the Biorge reference for at least the same reasons set forth above in connection with claims 3 and 10, as well as for the additional features they recite. For example, claims 6, 7, 12, 23, 25 and 26 recite the transaction history database includes indications of authentication associated with the awards earned by the consumers for participation in the promotion programs. Since Biorge fails to disclose a transaction history database, Biorge cannot teach this limitation.

Claims 8, 14 and 27 recite if the transaction history database indicates that the selected consumer has not provided a high level of authentication, then the authentication level required from the selected consumer will be determined to be the high level of authentication. As discussed above, since Biorge fails to disclose a transaction history database, Biorge cannot teach this limitation.

Claims 9, 15, and 28 recite if the transaction history database indicates that a selected consumer has provided a high level of authentication, then the authentication level required from the selected consumer will be determined to be a low level of authentication. As discussed above, since Biorge fails to disclose a transaction history database, Biorge cannot teach this limitation.

In re Haugen
Application No. 09/637,387
Amendment dated November 28, 2003
Reply to Office Action of August 27, 2003

Applicant submits that the present application is now in condition for allowance.
Reconsideration and favorable action are earnestly requested.

RESPECTFULLY SUBMITTED,					
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Attachment: Appendix A (Amended Figure 4)

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